

National Bulletin: 300-6-??

July ??, 2006

Subject: LTP – Conservation Security Program (CSP) Contract Improvement Modification Request Period

**Purpose.** To announce the process and constraints that will be used to allow FY 2004 and FY 2005 CSP contract participants to request contract improvement modifications during the Modification Request Period, August 1, 2006 to September 15, 2006

**Expiration Date.** September 30, 2007

**Background.** Based on the President's proposed FY 2007 budget and funds needed to satisfy financial and technical assistance obligations in existing CSP contracts, the Agency will proceed with allowing FY 2004 and FY 2005 CSP contract participants to request certain contract improvement modifications, with the projection that a portion of the FY-2007 appropriation will be available for contract improvement modification approvals.

**Participants who may request contract improvement modifications will be informed there is no certainty of the FY 2007 CSP funding level, or of the amount of funds that will be available for contract improvement modification approvals.** In order to limit budget exposure, constraints will be placed on the types of modification requests that will be allowed. The Agency will also reserve the option to prorate the FY 2007 payments for the contract improvements added by approved modification.

**Explanation.** FY 2004 and FY 2005 CSP contract participants that meet the identified constraints listed below may request the following types of contract improvement modifications during the Modification Request Period, August 1, 2006 to September 15, 2006. Requests from FY 2004 and FY 2005 CSP contract participants for contract improvement modifications that are outside these constraints and types of modifications will not be accepted during this modification request period.

Modification Type	Constraint
Tier Transition *	Contract modifications will be allowed to advance tiers on the operating unit identified in the benchmark agricultural operation delineation and still under the participant's control. The addition of land identified in the benchmark agricultural operation that will not result in a transition from a Tier I contract to a Tier II or Tier III contract will not be allowed during this modification period.
Adding Newly Acquired Land *	For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add newly acquired land. A modification request to add newly acquired land will trigger the need to update a participant's agricultural operation delineation to include all newly acquired agricultural land under their control. No newly acquired land will be added to Tier I or Tier II contracts during this modification period, unless they are advancing to Tier III.
Adding Enhancements	For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add new enhancements that have been established, or that are planned for future application. No new enhancements will be added to Tier I or Tier II contracts that are not advancing to a Tier III contract during this modification period.

\* - Any land added to a contract by modification (either land within the benchmark agricultural operation delineation

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of a Tier I contract advancing to a Tier II or Tier III contract, or newly acquired land) must meet:

- the minimum level treatment requirements in the sign-up announcement from the year the contract was approved, and
- the criteria for the lowest enrollment category funded during the sign-up when the contract was approved.

Lowest Enrollment Categories from CSP Sign-ups

2004 – Category H

2005 – Category C

Detailed instructions for entering modifications into ProTracts will be provided to states prior to the modification period. These modification requests will be held as pending until the FY '07 budget level is known. **Contracting officers are not to approve any contract improvement modifications.** The contract improvement modification approval step will be completed at the National level.

Based on FY 2007 CSP funding level, the Agency intends to approve all the contract improvement modification requests that meet the identified modification types and constraints. The payments for approved contract improvement modifications will begin in FY 2007. If modification request dollars exceed available funds, the FY 2007 payments for the contract improvements added by approved modification will be prorated. This prorating to accommodate modification approvals will apply only to the FY 2007 year of CSP contract payments.

All FY 2004 and FY 2005 CSP contract participants will be notified of the opportunity and process to request contract improvement modifications by certified mail, using notice in Attachment 1. A news release has also been posted to the website and will be used to announce the Modification Request Period.

For States who have been working with a technical sponsor to offer enhancements for on-farm conservation research, demonstrations, or pilot projects, the Modification Request Period will also provide a chance to modify those activities into FY 2004 – FY 2005 CSP contracts. Additional details on that process will be forthcoming.

**Contact.** If you have any questions, please contact the Branch Chief, Stewardship Programs Branch, at (202) 720-3524.



/s/

THOMAS W. CHRISTENSEN  
Deputy Chief for Programs

Attachment

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